



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, JUNE 10, 2014
10:40 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of June in the year 2014, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE**

June 10, 2014

0 YEAS

0 NAYS

10 PRESENT

P Bronner
(VIA AUDIO CONFERENCE)
P Fuentes
E Goetz
E Gold
P Knox

P Leonard
E Lonstein
P O’Brien
E Parish
P Pedersen

P Poole
E Tessler
P Vaught
P Zeller
P Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on May 13, 2014, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on May 13, 2014 and the Financial Statements for the Month Ended May 31, 2014 were taken up for consideration.

Member Pedersen moved for the adoption of the Minutes and the Financial Statements.

Member O'Brien seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project:

Agriculture Projects

Item 1: Item 1 is a request for Beginning Farmer Revenue Bond financing.

Colton R. Hamel is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Seventy-Five Thousand Dollars** (\$75,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in LaGrange Township in Bond County.

Member Pedersen moved for the adoption of the following project: Item 1(A).

Member Poole seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Chairman Brandt directed Mr. Frampton to present the remaining projects without guests or abstentions to the Board.

Mr. Frampton presented the following projects:

Business and Industry Projects

Item 2: Item 2 is a request for Industrial Revenue Bond financing.

Peddinghaus Corporation is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Four Million Dollars** (\$4,000,000).

Bond proceeds will be loaned to **Peddinghaus Corporation**, a Delaware corporation (hereinafter, the “**Borrower**”), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of (i) acquisition and installation of equipment at its existing manufacturing buildings located at 300 N. Washington Ave. and 301 N. Washington Ave., in Bradley (Kankakee County), Illinois, 60915, including necessary site work or improvements therein, all for use in expanding the Borrower’s manufacturing capabilities in production of its proprietary Computerized Numerical Control, or “CNC”, industrial metal machines, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the “**Project**”).

Peddinghaus Corporation is a return IRB borrower. IFA issued \$3.57 million for Peddinghaus in 2007 – proceeds were used to purchase, rehab, and equip the Company’s 45,500 SF manufacturing facility located at 300 N. Washington in Bradley, located across the street from the Company’s existing Bradley facility.

Healthcare Projects

Item 3: Item 3 is a request for 501(c)(3) Revenue Bond financing.

Southern Illinois Healthcare Enterprise, Inc. is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **One Hundred Thirty-Five Million Dollars** (\$135,000,000). This financing is being presented for one-time consideration.

Southern Illinois Healthcare Enterprises, Inc., an Illinois not for profit corporation (the “**Corporation**”), has requested that the Authority issue in an aggregate principal amount not to exceed \$135,000,000 of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (Southern Illinois Healthcare Enterprises, Inc.) (hereinafter, the “**Series 2014A Bonds**”) and (ii) Revenue Bonds, Series 2014B (Southern Illinois Healthcare Enterprises, Inc.) (hereinafter, the “**Series 2014B Bonds**”) and, together with the Series 2014A Bonds, the “**Series 2014 Bonds**”) and loan the proceeds from the sale thereof to the Corporation in order to provide Southern Illinois Hospital Services, an Illinois not for profit corporation (hereinafter, the “**Hospital**”) and, together with the Corporation, the “**Users**”) and the Corporation, with all or a portion of the funds necessary to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including (a) an Energy Center and certain related facilities adjacent to Memorial Hospital of Carbondale (hereinafter, “**MHC**”), (b) an approximately four-story addition to MHC, including an expansion of surgical and intensive care facilities, (c) expansion of the outpatient facilities at St. Joseph Memorial Hospital in Murphysboro, Illinois (hereinafter, “**SJMH**”), (d) the construction of an approximately 46,000 square foot Cancer Center in Carterville, Illinois, and (e) various other capital improvements to and

routine capital equipment purchases for MHC, SJMH, Herrin Hospital in Herrin, and the Users' healthcare and corporate facilities; (ii) refund all or a portion of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Southern Illinois Healthcare Enterprises, Inc.) (hereinafter, the "**Prior Bonds**"); (iii) provide working capital to the Users, if deemed necessary or advisable by the Corporation or the Authority; (iv) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following projects and resolutions: Items 2 and 3.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

Chairman Brandt directed Mr. Frampton to present the resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following resolutions:

- Item 4:** Item 4 is a Request by Forrester State Bank and Gerald A. Brechon to Release a Second Mortgage and record a New Second Mortgage in order to replace an existing \$698,691 Bank First Mortgage Loan with a new \$500,000 FSA Guaranteed First Mortgage Loan. Project collateral will continue to consist of a Grain Elevator, Farm Buildings and 50 acres of Farmland Pledged as Collateral for Illinois Finance Authority Agri-Debt Guarantee Loan No. 2011-DR-0601. Concurrently, the Bank will subordinate its existing \$698,691 First Mortgage Loan to a Third Mortgage Position, subordinate to both the IFA Agri-Debt Guaranteed Second Mortgage Loan with a current outstanding Second Mortgage balance of approximately \$484,047 and the new FSA Guaranteed \$500,000 First Mortgage Bank Loan.
- Item 5:** Item 5 is a Resolution Consenting to and Authorizing the Execution and Delivery by the Illinois Finance Authority of a First Amendment to the Bond and Loan Agreement Among the Authority, Practice Velocity Holdings, LLC and Riverside Community Bank Relating to the \$4,400,000 Aggregate Principal Amount of Midwestern Disaster Area Revenue Bonds, Series 2012 (Practice Velocity Holdings, LLC Project); and Concerning Related Matters.
- Item 6:** Item 6 is a Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture and First Supplemental Loan Agreement relating to Illinois Finance Authority Revenue Bonds, Series 2011 (Swedish Covenant Hospital); and Related Matters.
- Item 7:** Item 7 is a Resolution Amending Resolution 2014-0513-HC04 of the Illinois Finance Authority for the Purpose of Authorizing Drawdown Bonds to be Issued by the Illinois Finance Authority for the benefit of Freeport Regional Health Care Foundation and Freeport Memorial Hospital.
- Item 8:** Item 8 is a Clean Water Initiative - Resolution Authorizing and Approving an Amendment to the Memorandum of Agreement between the Illinois Finance Authority and the Illinois Environmental Protection Agency and the Execution and Delivery of Certain Documents Related Thereto.

Item 9: Item 9 is Resolution Providing for the Defeasance of Certain Outstanding Bonds; Authorizing the Execution and Delivery of Related Documents; and Related Matters.

Chairman Brandt presented the following resolution after reporting action was taken earlier on May 13, 2014 at the Committee of the Whole to amend the schedule so that regular meetings of the Board for October 2014 and November 2014 are held on October 16, 2014 and on November 13, 2014, respectively:

Item 10: Item 10 is Resolution Approving the Schedule of Regular Meetings for Fiscal Year 2015

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following resolutions: Items 4, 5, 6, 7, 8, 9 and 10.

These resolutions, having received the votes of a quorum of the Members of the Board, were declared adopted.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on July 8, 2014.

At the time of 10:52 a.m., Member Pedersen moved that the Board do now adjourn until July 8, 2014, at 10:30 a.m.

Member Leonard seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board